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Message Text

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S/S - FVORTIZ
E - MR.ROBINSON
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P 092255Z JUN 75
FM SECSTATE WASHDC
TO AMEMBASSY LIMA PRIORITY

C O N F I D E N T I A L STATE 134431

E.O. 11652:GDS

TAGS: PFOR, BBAK, PE

SUBJECT: EXPROPRIATION OF GULF DEL PERU

1. DESPITE GOP'S VARIOUS STATEMENTS REGARDING ITS INTENT TO COMPENSATE GULF FOR ITS EXPROPRIATED PROPERTIES IN PERU, DEPARTMENT IS DEEPLY CONCERNED ABOUT PERUVIAN ACTION, IN VIEW OF THERE BEING NO ALLEGATION OR FINDING OF BRIBERY IN PERU. IT IS IMPORTANT THAT USG GO ON RECORD IMMEDIATELY TO CONSTRAIN APPLICATION OF SAME APPROACH ELSEWHERE. WE ACCORDINGLY REQUEST THAT THE FOLLOWING NOTE BE TRANSMITTED.

2. BEGIN QUOTE. I HAVE THE HONOR TO REFER TO DECREE LAW NO. 21144 OF MAY 13, 1975, CONCERNING THE EXPROPRIATION OF GULF OIL COMPANY'S PROPERTIES AND INTERESTS IN PERU.

3. THE UNITED STATES GOVERNMENT, DESPITE THE WELCOME PRO-VISION THAT COMPENSATION WILL BE PAID, NOTES THAT GULF DEL PERU HAS NOT BEEN CHARGED WITH ANY VIOLATION OF PERUVIAN LAW, NOR WITH ANY ACTIONS DETRIMENTAL TO THE INTERESTS OR
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PUBLIC WELFARE OF THE PERUVIAN NATION.

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FURTHERMORE, EVEN IF
THE GOVERNMENT OF PERU HAD REASON TO TAKE EXCEPTION TO
IMPERMISSIBLE ACTIONS OF THE GULF OIL COMPANY OUTSIDE PERU,

WHICH THE UNITED STATES GOVERNMENT, FOR ITS PART, HAS MADE
CLEAR IT CANNOT CONDONE, THERE IS A DISPROPORTION BETWEEN
SUCH ACTIONS OF THE GULF OIL COMPANY AND THE REMEDY --
THE TERMINATION OF THE ACTIVITIES OF GULF DEL PERU IN
PERU -- WHICH THE GOVERNMENT OF PERU IN THIS CASE HAS
CHOSEN.

4. IN THESE CIRCUMSTANCES, IT IS DIFFICULT TO AVOID THE
CONCLUSION THAT THE ACTION OF THE GOVERNMENT OF PERU WAS
PRECIPITATE IN THAT IT WAS NOT THE PRODUCT OF JUDICIAL
PROCESS UNDER THE LAW OF PERU, AND IN THAT IT WAS IN CON-
FLICT WITH ACCEPTED PRINCIPLES OF INTERNATIONAL LAW.
SUCH ARBITRARY CONDUCT MUST INEVITABLY INCREASE
THE UNCERTAINTY FELT BY OTHER SOURCES OF FOREIGN CAPITAL
INFLOWS AND INVESTMENT IN PROJECTS DESIRABLE FOR PERU'S
ECONOMIC DEVELOPMENT, EVEN THOUGH ADEQUATE COMPENSATION
IS PAID TO GULF.

5. THE UNITED STATES GOVERNMENT ACCORDINGLY SUGGESTS THAT
THE GOVERNMENT OF PERU CONSIDER MEASURES WHICH MAY BE
APPROPRIATE TO REMEDY THE SITUATION WHICH HAS ARISEN. END
QUOTE. KISSINGER

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